

HOUGHTON LAKE PUBLIC LIBRARY
4431 W. Houghton Lake Dr.
Houghton Lake, MI 48629
Voice: (517) 366-9230
Fax: (517) 366-0063

DOCKET FILE COPY ORIGINAL

RECEIVED

AUG 18 1999

Federal Communications Commission
Office of Secretary

CC: 96-45

August 11, 1999

Ms. Sheryl Todd
Federal Communications Commission
Common Carrier Division
Accounting Policy Division
445 12th Street, S.W.
5-A 523
Washington, D.C. 20554

Dear Ms. Todd,

Thank you for faxing me a copy of the FCC decision (July 29th) denying the Houghton Lake Public Library's (HLPL) appeal on the Universal Service Fund Application No. 52629. Mail from Washington, D.C. usually takes more than a week and I still have not received anything by mail.

Enclosed please find all documentation pertinent to the HLPL's USF grant. I will address each point included in the FCC document and hope that our appeal can be reviewed with the following in mind:

- The use of the word "contract" has caused problems with the SLC. It is standard operating procedure for HLPL to enter a business agreement with a letter signed by the director. HLPL is a very small rural library and we do not use purchase orders, etc. Letters signed by me are considered official "contracts" by all of our vendors and the State of Michigan. My signed letter (1/29/98) did establish a contract with Merit Network for a "128 K bps direct Internet connection" with cost noted from their response to our RFP. Merit had no official "contract" form. I do not have in my possession any official "contract" form but I consider that letter my contract just as I would with any other vendor.

On August 8th, when library employee, Kim Frazho responded to SLC's request (Matt McGourty) for a copy of our "contract" she faxed back the message that we do not have a contract because we do not have an "official" contract form - only the letter which we consider our legal contract. She also included a copy of the paid invoice from Merit Network to verify payment for the installation and service and asked Mr. McGourty to contact us again if that information was not sufficient proof. No further request for information was received.

- In that same letter contracting for the Internet connection, I included the following sentence: "Details for products and services are not yet finalized but total costs are not to exceed \$45,000."

No. of Copies rec'd
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241

This sentence does not refer to the physical Internet connection costs in any way, shape or form. It refers to other services and products that were under consideration because they were available from the Merit Network. For example, training sessions for the library staff were crucial to the successful implementation and integration of Internet services and library operations. Being rural, the training sessions would either involve travel and overnight stays or costly in-house sessions. We were also negotiating with Merit and other vendors for competitive prices on computers, printers, cabling, etc. HLPL needed everything and we were trying to find the best price. The \$45,000 for products and services simply refers to the complete budget amount that the library board had designated for purchasing the necessary computer equipment and training - not the cost of the Internet connection.

I understand SLC's confusion but we have tried to respond to all concerns and misunderstandings. Our original letter to the FCC dated May 10, 1999 was a final attempt to clear all confusion before any appeal was considered. Yet, when I spoke with you, it could not be verified that all of the documentation had been forwarded. I earnestly hope that any attorney reviewing our appeal will have the entire packet of documentation with my explanations. We have worked very hard to take advantage of every funding dollar so that we can provide and expand access in our rural area. Please help me in any way that you can - the library qualifies for almost \$10,000 from the USF.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donna J. Alward".

Donna J. Alward, Director
dalward@hlpl.lib.mi.us

May 10, 1999

FCC
Washington DC

RE: Appeal of USF Funding Denial dated March 30, 1999 and April 30, 1999

We would like to add the following information to the appeal of Houghton Lake Public Library's Universal Service Funding Commitment Decision that was originally sent to you in a letter from Kim Frazho, Houghton Lake Public Library dated April 23, 1999.

Houghton Lake Public Library is precisely the kind of organization that the USF discount program is designed to support. Because the discounts on Internet services are critical to our ability to offer these services to our public, we have very carefully tried to follow what has been a very complex, confusing and time-consuming application process. Because this program was new in the 1998 funding year, it was not always clear exactly the kind of information the SLD required. This letter provides a detailed timeline of our contract negotiation with Merit Network, Inc., along with additional supporting documentation. We feel strongly that complete review of this and previously submitted documentation will confirm that we have met all USF funding requirements.

1) Houghton Lake Public Library received a proposal from Merit Network, Inc. to provide Internet services. The proposal was dated December 12, 1997 and was signed by Sara Peth at Merit. Merit offered these services under the terms of a master contract with MiCTA, a non-profit membership association that works with other non-profit organizations to obtain favorable rates on telecommunication services for its members. The Houghton Lake Public Library is a member of MiCTA. The Merit/MiCTA master contract was competitively bid and went into effect in 1995 and originally ran through June 30, 1998. In December 1997, Merit and MiCTA extended that master contract to run through December 31, 1998. Because of the change in the first universal service funding year for schools and libraries, Merit extended individual agreements under this master contract to June 30, 1999 on request.

2) On January 29, 1998, we Faxed a letter signed by Donna J. Alward, Director of the Houghton Lake Public Library to Sara Peth at Merit accepting their proposal for Internet services. We have a copy of our FAX transmission verification report which shows the date and time of 1/29 18:56 and Merit's FAX number (734) 647-3185. Sara Peth at Merit will verify that she received the letter on January 29th, and has provided us with a copy of that fax showing the time/date stamp when she received it (copy enclosed). Merit's proposal, consisting of a cost spreadsheet and signed letter describing services and terms, along with Houghton Lake library's signed (with original signature) acceptance letter together are the binding contract between our organizations.

3) Houghton Lake Public Library filed a form 470 on March 4, 1998 and given Universal Service Control Number 136800000058071. We checked box 10 stating that we were seeking discounts for eligible services for which there was an existing, binding contract. We provided January 29,

1998 as the date when the existing contract was signed and December 31, 1998 as the date when the existing contract would terminate.

4) Houghton Lake Public Library filed a form 471 on April 13, 1998 requesting discounts on the Internet services from Merit. This form was assigned an application number of 52629. Again, we entered January 29, 1998 as the service award date in item 16, column 4, and entered April 24, 1998 as the estimated service start date in item 16, column 7. In the cost section, we entered \$1,477 in item 16, column 8 as the one-time costs associated with this service. In item 16, column 9 however, we mistakenly entered the on-going annual charge of \$9,614, rather than the monthly charge of \$801.17. We did provide the correct amount of \$11,091 in column 10 for the estimated total annual pre-discount cost. Merit's proposal and our letter of January 29, 1998 were included as attachments to our application.

5) On January 19, 1999 we received a Funding Commitment Decision Letter from the SLD rejecting Funding Request Number 49689 stating "The type of service was not posted to the SLD Website and thus did not meet the 28 day competitive bidding requirement." However, the Funding Commitment Decision Letter contained the wrong information because it listed the total pre-discount amount as \$68,775 rather than \$11,091, and also showed the services marked with a "T" for tariffed services when in fact the services are being provided under contract and not under a tariff. Kim contacted the SLD and spoke with Ryan (no last name obtained). He said he couldn't correct the incorrect estimated total annual pre-discount cost figure of \$68,775, despite the fact that Houghton Lake Public Library did not provide that \$68,000 number. Therefore the library appealed the decision.

6) On January 20, 1999, Kim S. Frazho from Houghton Lake Public Library sent a letter to the SLD pointing out the errors on the Funding Commitment Letter, providing corrected information and asking the SLD to reconsider their decision. This appeal included a copy of a March 3, 1998 letter from our library director to Merit telling Merit to go ahead with the installation of our Internet services. This letter may have confused things a bit, because it referenced a discussion with Sara Peth on January 29, 1998, but did not reference our letter of the same date to Merit accepting their proposal. In that discussion on January 29, 1998, we requested and agreed that Merit would wait to start the installation process until they received word from us that our electrical and other wiring work was finished. The March 3, 1998 letter confirmed that this work was complete or far enough along that Merit should start the installation process. We also sent copy of Merit's proposal letter and cost spreadsheet.

7) On February 15, 1999, Kim called Russ at SLD to verify that they had received the appeal letter and it was in process. Russ said fax a letter to Deb Kriete, which was done on February 16. This request sought some notification that the appeal had been received by SLD and it was in process. In her reply, Deb said to send another complete packet which was also done.

8) In a letter dated March 30, 1999, the SLD rejected our appeal stating "Your form 470 referenced only a pre-existing contract, (and therefore was not posted for competitive bidding) but the documentation you provided with your Form 471 and subsequently on request, confirms that no contract existed. Neither a bid nor a verbal agreement constitute a contract, therefore our original denial must stand."

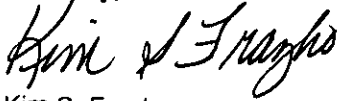
9) On April 23, 1999 we submitted our original appeal to the FCC, including a copy of the contract and our fax transmittal verification printout. Meanwhile, on May 3, 1999, we received the Administrator's Denial dated April 30, 1999 for the second package sent to Deb Kriete. This second letter included references to two correspondences dated 1/20/99 and 2/15/99 and stated that a contract needed two signatures, one from the provider and one from Houghton Lake Public Library. As stated in item number 2 above, we do have a signed contract as the signed proposal from Sara Peth at Merit, and signed acceptance letter from Donna Alward at Houghton Lake Public Library constitute a firm, legally binding contract.

We ask the FCC to further review our USF application with all of the information and attachments from our form 470 and 471 applications, from our appeal to the SLD, from our original letter of appeal to the FCC and from this letter. Because the Merit/MiCTA master contract was entered into before January 30, 1998, and because our specific agreement with Merit was entered into on January 29, 1998, the services in question are being provided under a previously existing contract as specified in section 54.511(c) of the federal regulations on universal service support for schools and libraries. As outlined in section 54.504(a) of the federal regulations, we were not required to have requests for these services posted on the SLD Web site to be eligible for USF discounts.

We believe that we have met all of the USF program requirements and should be given a discount on the Internet access services we requested on our form 471. We ask that you direct the SLD to work with us to determine the correct discount amounts given our actual service start dates and our costs through June 30, 1999 and to issue a revised Funding Commitment Decision Letter.

Please contact me at 517-366-9230 if you have any questions or need additional documentation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kim S. Frazho".

Kim S. Frazho
Houghton Lake Public Library



Houghton Lake Public Library
4431 West Houghton Lake Drive
Houghton Lake, Michigan 48629
Phone (517) 366-0230
Fax (517) 366-0063

FAX COVER

From Donna Alward
Phone _____
Fax _____
Date _____

To Merite Network
ATTN: Sara Peth
Phone _____
Fax 734 647 3185

No. of pages (including Cover) 2

For Your
Information

Confirm
Receipt

Urgent!
Please Reply

HOUGHTON LAKE PUBLIC LIBRARY



"A Public Library - - Open to All"

4431 W. Houghton Lake Drive
Houghton Lake, MI 48629
(517) 366-9230

January 29, 1998

Ms. Sara Peth
Merit Network, Inc.
4251 Plymouth Road, Suite C
Ann Arbor, MI 48105-2785

Dear Sarah,

The Houghton Lake Public Library agrees to abide by the conditions set out in the Request for Proposal from the Merit Network, dated December 12, 1997, for the installation of Internet access services.

According to the terms specified, Merit will provide the following:

128K bps direct Internet connection at the one-time cost of \$1,477 and an ongoing charge of \$9,614 annually, which includes Telco charges.

Subcontractors, services and products required to provide full Internet access services to the Houghton Lake Public Library will be decided by mutual agreement of both the Houghton Lake Public Library and the Merit Network. All necessary installation and configuration processes will be managed by the Merit Network. Details for products and services are not yet finalized but total costs are not to exceed \$45,000.

Sincerely,

Donna J. Alward, Director

MichNet Direct Attachment

Houghton Lake Public Library

McTA Group Rates

	ISDN				Frame Relay		Frame Relay				Full T1
	64K bps	128K bps	256K bps	384K bps	56K bps	112K bps	128K bps	256K bps	384K bps	768K bps	1.5M bps
One-time Costs											
Equipment	n/a	n/a	n/a	n/a	\$2,092	n/a	\$2,237	\$2,237	\$2,237	\$2,237	\$2,237
Merit installation	n/a	n/a	n/a	n/a	\$925	n/a	\$925	\$925	\$925	\$925	\$925
Telco installation	n/a	n/a	n/a	n/a	\$315	n/a	\$515	\$515	\$515	\$715	\$715
Startup allowance	n/a	n/a	n/a	n/a	(\$2,200)	n/a	(\$2,200)	(\$2,200)	(\$2,200)	(\$3,877)	(\$3,877)
Total one-time costs	n/a	n/a	n/a	n/a	\$1,132	n/a	\$1,477	\$1,477	\$1,477	\$3	\$3
On-going Costs											
Annual Merit affiliate fee	n/a	n/a	n/a	n/a	\$6,250	n/a	\$7,250	\$8,000	\$8,500	\$10,000	\$13,000
Annual telco fee	n/a	n/a	n/a	n/a	\$1,344	n/a	\$2,364	\$3,324	\$4,224	\$4,224	\$6,204
Total on-going costs	n/a	n/a	n/a	n/a	\$7,594	n/a	\$9,614	\$11,324	\$12,724	\$16,204	\$19,204
Total first year costs	n/a	n/a	n/a	n/a	\$8,726	n/a	\$11,091	\$12,801	\$14,201	\$16,204	\$19,204

Type of organization: K12, Public Lib. or CG
 Linked to backbone in: Mount Pleasant using frame relay

Contract Term: No term limit. Please refer to the Conditions of Use Policy for details
 Quote: Good for 90 days. Supersedes previous quotes from Merit.
 Billing: Annually

Equipment ownership: Owned by Merit, see MichNet Conditions of Use Policy, Item #5.
 Equipment warranty: 90 days, see MichNet Conditions of Use Policy, Item #8.
 Normal on-site service period: 7am to 4pm M-F other than holidays, see MichNet Conditions of Use Policy, Items #8, #9, #10, #11.
 Out of warranty on-site service: \$55 per hour on site, 30 per hour for travel, 0.25¢ per mile during normal service periods.
 \$110 per hour on site, 60 per hour for travel, 0.25¢ per mile outside of normal service periods.

Router: Cisco 2501 - ethernet
 Remote monitoring: 24 hours a day, 7 days a week
 Type of LAN attachment: Thick Ethernet
 MichNet Shared Dial-In user: None included, available separately

TRANSMISSION VERIFICATION REPORT

TIME : 01/29/1998 18:57
NAME : HOUGHTON LK LIBRARY
FAX : 517-366-0063
TEL : 517-366-9230

DATE, TIME
FAX NO./NAME
DURATION
PAGE(S)
RESULT
MODE

01/29 18:56
17346473185
00:00:47
02
OK
STANDARD
ECM

HOUGHTON LAKE PUBLIC LIBRARY

"A Public Library - Open to All"



4431 W. Houghton Lake Drive
Houghton Lake, MI 49029
(517) 366-9230

January 29, 1998

Ms. Sara Peth
Merit Network, Inc.
4251 Plymouth Road, Suite C
Ann Arbor, MI 48105-2785

Dear Sarah,

The Houghton Lake Public Library agrees to abide by the conditions set out in the Request for Proposal from the Merit Network, dated December 12, 1997, for the installation of Internet access services.

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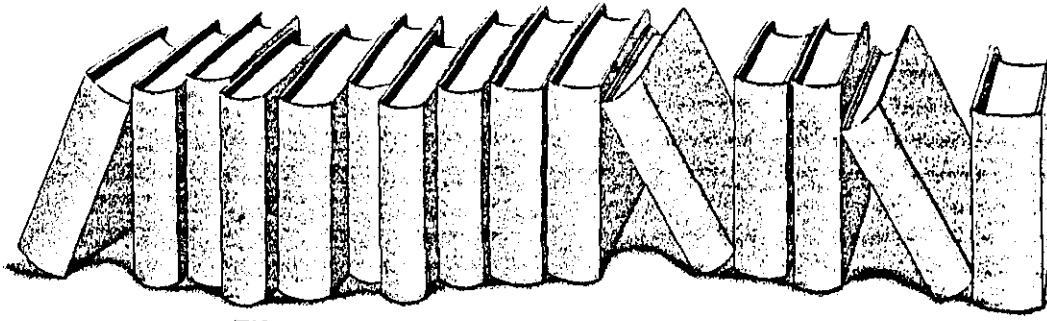
Sincerely,

Donna J. Alward, Director

TRANSMISSION VERIFICATION REPORT

TIME : 08/04/1999 14:50
NAME : HOUGHTON LK LIBRARY
FAX : 517-366-0063
TEL : 517-366-9230

DATE, TIME	08/04 14:46
FAX NO./NAME	12024187361
DURATION	00:04:05
PAGE(S)	09
RESULT	OK
MODE	STANDARD
	ECM



Houghton Lake Public Library
4431 West Houghton Lake Drive
Houghton Lake, Michigan 48629
(517) 366-9230 Phone or Fax

Fax Cover

From Kim S. FRAZHO
Phone 517. 366. 9230
Fax 517. 366. 0063
Date 8-7-1998

To SLC
ATTN: Matt McGourty
Phone _____
Fax 973. 581. 6759

No. of pages (including Cover) 2



For Your
Information



Confirm
Receipt



Urgent!
Please Reply



Matt,
WE DO NOT HAVE A CONTRACT WITH MERIT, ONLY A
LETTER THAT WE SENT GIVING THEM THE 'GO AHEAD'. HERE'S
A COPY OF THE BILL WE RECEIVED FOR THE INSTALLATION.
IF THIS IS NOT SUFFICIENT PROOF, PLEASE LET ME KNOW.
SO I CAN SEND WHAT EVER YOU NEED.
THANK YOU!

Kim S. FRAZHO



THE UNIVERSITY OF MICHIGAN
ANN ARBOR, MICHIGAN 48109
INVOICE

May 20, 1998

F.E.I. NO. 38-6006309

IN
V
O

524145

PAGE OF

LEAVE ABOVE SPACE BLANK

SHIP
TO

D-U-N-S NO. 05-332-5080

ORIGINATING DEPT. AND TELEPHONE NUMBER

Merit Network, Inc.

Karen Alberti (734) 936-2165

DEPARTMENT
REFERENCE
NO. (67-74)

A982054

SHIPPED VIA

TERMS:

NET 30 DAYS

MAKE REMITTANCES PAYABLE TO AND ADDRESS TO:

THE UNIVERSITY OF MICHIGAN

1015 LS&A BUILDING

ANN ARBOR, MICHIGAN 48109-1382

CUSTOMER ORDER NO. 3/3/98 DJA

Houghton Lake Public Library

ATTENTION: Donna Alward, Director

4431 W. Houghton Lake Drive

Houghton Lake, MI 48629

977.1
CR 1639
6-16-98

DATE SHIPPED

ITEMS

AMOUNT

TOTAL

128K Internet connection for the period 5/1/98 - 12/31/98:

Merit affiliate fee @ \$7250/annual

Telco fee @ \$2364/annual

\$4,833.00

\$1,576.00

One-time costs for installation:

Equipment

Merit installation

Telco installation

Startup allowance

\$2,237.00

\$925.00

\$515.00

(\$2,200.00)

TOTAL

\$7,886.00

Please make payment on this invoice as you will not receive a monthly statement. Refer to invoice number in correspondence.

NOTE: This invoice is for services provided by Merit Network, Inc.

The University of Michigan acts as billing agent for the Merit Network.

DUPLICATE INVOICE

TRANSMISSION VERIFICATION REPORT

TIME : 08/07/1998 16:46
NAME : HOUGHTON LK LIBRARY
FAX : 517-366-0063
TEL : 517-366-9230

DATE, TIME
FAX NO./NAME
DURATION
PAGE(S)
RESULT
MODE

08/07 16:44
19735816759
00:01:17
02
OK
STANDARD
ECM

FCC Form

Approval by OMB
3060-0806

470

Schools and Libraries Universal Service Description of Services Requested and Certification Form

Estimated Average Burden Hours Per Response: 6.0 hours

This form is designed to help schools and libraries describe the eligible telecommunications-related services they seek so that this data can be posted on a website and interested service providers can identify the applicant as a potential customer and compete to serve it.

Please read instructions before completing.

(To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

(School, library, or consortium desiring Universal Service funding.)

Posting Date:
Allowable Contract Date: 04/01/1998
Certification Received Date: 03/09/1998

1. Name of Applicant: HOUGHTON LAKE PUBLIC LIBRARY		2. Funding Year: 01/01/1998 - 06/30/1999	
3a. NCES School Code (if individual school) Or NCES Library Code (if individual library) State: - District: - School/Library:			
3b. Universal Service Control Number: 73680000058071		3c. Applicant ID Number: 153575	
4a. Type Of Applicant (Check only one box.) <input type="radio"/> school <input type="radio"/> school district <input checked="" type="radio"/> library or library consortium under the LSTA <input type="radio"/> consortium of multiple entities			
4b. If Applicant is a consortium, check all other boxes that apply: <input type="checkbox"/> includes non-governmental entities ineligible for support <input type="checkbox"/> entity desires separate bills for each member of consortium <input type="checkbox"/> entity desires separate bills for some members of consortium <input type="checkbox"/> region of a state <input type="checkbox"/> statewide <input type="checkbox"/> multi-state		<input type="checkbox"/> state educational agency <input type="checkbox"/> local educational agency <input type="checkbox"/> educational service agency	

5. Applicant's Street Address, P.O.Box, or Route Number

Street 4431 W HOUGHTON LAKE DR			
City HOUGHTON LAKE	State MI	Zip Code 5Digit 48629	Zip Code 4Digit
Telephone number Ext: (517) 3669230		E-mail Address	

6. Contact Person's Name: Kim S. Frazho

Street Address, P.O.Box, or Route Number (if different from Item 5)

Street: 4431 West Houghton Lake Drive			
City: Houghton Lake	State MI	Zip Code 5Digit: 48629	Zip Code 4Digit:
Fill in all of the following (if available), and check the preferred mode of contact:			
<input checked="" type="radio"/> Telephone Number Ext: (517) 366 9230	<input type="radio"/> Fax Number Ext: 0	<input type="radio"/> E-mail address:	<input type="radio"/> Mail:

Block 2: Other Characteristics Of Applicant

7a. Number of students:	7b. Number of library patrons: 12000
8. Number of buildings to be served: 1	9. Number of rooms to be served: 3

Block 3: Summary Description of Needs or Services Requested

10. ☒ Check if applicant seeks discounts only for eligible services based on one or more existing, binding contract(s) and proceed to Block 4.

Sequence #	Date Contract Signed	Contract Termination Date
12657	01/29/0098	12/31/0098

11. ☐ Check here if you have a Request for Proposal(RFP) available. If RFP is posted on a website, provide the website address

(1)	(2)	(3)	(4)	(5)
	Existing Services	Additional Services Desired	Total Services Desired	Details (Optional)
12. Telecommunications Services				
a. Number of phones that have or require service (See instructions concerning extension phones and fax machines.)				
b. Number of computers that have or require service				
c. Number of high bandwidth video conferencing links				
d. Specify other (Optional)				
13. Internal Connections				
	Existing	Additional	Total	Details
a. Number of buildings with at least some rooms connected				
b. Number of rooms connected				
c. Highest Speed of connection				
d. Specify other (Optional)				
14. Internet Access				
	Existing	Additional	Total	Details
a. Number of dial up connections necessary				
b. Highest speed of dial up connections				
c. Number of direct connections necessary				
d. Highest speed of such direct connections				
e. Specify other (Optional)				
15. You may provide additional summary information about the services you are requesting to help service providers identify your needs more precisely. You may provide technical requirements or give an informal description of your telecommunications-related goals.				
16. <input type="checkbox"/> Check here if there are any restrictions imposed by state or local laws or regulations on how and when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures. You may attach restrictions or give website where they are posted.				
17. Purchases in future years: If you have current plans to purchase additional services in future years, describe them below (Providing this information is optional.)				

Block 4: Technology Assessment

18. Although the following services and facilities are ineligible for support, they are usually necessary if schools and libraries are to make effective use of the eligible services requested in this application.
(If your application is only for basic voice telephone service, check this box)

~~I am requesting a computer or other device that will be used to provide services to the public, such as the Internet, or other services that are not eligible for support.~~

a. Desktop communications software: Software required <input checked="" type="checkbox"/> has been purchased; and/or <input checked="" type="checkbox"/> is being sought.
b. Electrical systems: <input type="checkbox"/> adequate electrical capacity is in place or has already been arranged; and/or <input checked="" type="checkbox"/> upgrading for additional electrical capacity is being sought.
c. Computers: a sufficient quantity of computers <input type="checkbox"/> has been purchased; and/or <input checked="" type="checkbox"/> is being sought.
d. Computer hardware maintenance: adequate arrangements <input type="checkbox"/> have been made; and/or <input checked="" type="checkbox"/> are being sought.
e. Staff development: <input checked="" type="checkbox"/> all staff have had an appropriate level of training or additional training has already been scheduled; and/or <input checked="" type="checkbox"/> training is being sought.
f. Additional details: Use this space to provide additional details to help providers to identify the services or facilities you desire.

Block 5: Listing Consortium Participants

- 19. Eligible Entities:** (Billed Entities.) If applicant is an individual school or a library or a school district or a library system that will receive only one bill, it should only fill in the first row of this chart. If applicant is a consortium of multiple billed entities, then it should fill out a row for each billed entity. (Applicant may attach additional pages.)

Billed Entity	Billed Entity's Zip Code	Billed Entity Code (Inserted by Administrator)	Zip Code(s) of Recipients of Service
HOUGHTON LAKE PUBLIC LIBRARY	48629	131112	48629

20. Entities Ineligible for Schools and Libraries Discount:

Name of Entity	Zip Code(s) of Recipients of Service	Contact Person	Phone Number, E-mail Address, or Alternative Preferred Contact Method
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Block 6: Certifications and Signature

21. The applicant includes:(Check one or both)
a. <input type="checkbox"/> schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U.S.C. Secs. 8801(14) and (25), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
b. <input checked="" type="checkbox"/> libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school(including, but not limited to) elementary and secondary schools, colleges, and universities.
22. All of the individual schools, libraries, and library consortia listed above in item 19 are covered by:
a. <input checked="" type="checkbox"/> individual technology plans and/or
b. <input type="checkbox"/> higher-level technology plans for using the services requested in this application(if those services consist of other than voice services).
23. Status of technology plan(check one):
a. <input checked="" type="radio"/> Technology plan(s) has/have been approved; or
b. <input type="radio"/> Technology plan(s) will be approved by a state or other authorized body; or
c. <input type="radio"/> Technology plan(s) will be submitted to Schools and Libraries Corporation for approval.

24. ☒ I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value.

25. ☒ I recognize that support under this program is conditional upon the school(s) or library(ies) I represent securing access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to use the services purchased effectively.

26. ☒ I certify that I am authorized to submit this request on behalf of the above-named applicant, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

29. Printed name of authorized person

Donna J. Alward

30. Title or position of authorized person

Director

[New Search](#)

[Return To Search Results](#)

FRN: 49689

SPIN: 143004331

Srvc Prvdr: Merit Network Inc.

Status: DENIED

Srvc Ordered: DEDICATED SERVICES

Contract No: T

Eff Date of Disc: 04/24/1998

Contr Exp Date:

Est Tot Annual Pre-disc Cost:
\$68,775.00

Funding Commitment: \$.00

Discount Percentage: 74%

PIA Reason Code: Svcs. not requested on F. 470

PIA Last User ID: SPARIKH

Fund Cmmt Dec Expl: The type of service requested was not posted to the SLC website and thus did not meet the 28 day competitive bidding requirement.

PIA Last Update Date: 12/30/1998

471

Schools and Libraries Universal Service Services Ordered and Certification Form

KANS 040

Estimated Average Burden Hours Per Response: 6 hours

This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them so that the Schools and Libraries Corporation can set aside sufficient support to reimburse providers for services.

Please read instructions before completing.

(To be completed by each Billed Entity)

Block 1: Applicant Address and Identifications (School, library, or consortium desiring Universal Service funding.)

1. Name of Applicant (Billed Entity) HOUGHTON LAKE Public Library 2. Funding Year 1998

3a. NCES School Code (if individual school) or NCES Library Code (if individual library)

3b. 471 Application Number (Administrator will insert this)

3c. Billed Entity Number

131124a. Type of Applicant
(Check only one box.)

- ☐ school
☐ school district
☐ library or library consortium under the LSTA
☐ consortium of multiple entities

4b. If applicant is a consortium, check all other boxes that apply:

- ☐ includes non-governmental entities ineligible for support
☐ region of a state ☐ statewide ☐ multi-state
☐ state educational agency
☐ local educational agency
☐ educational service agency

5. Applicant's Street Address, P.O. Box, or Route Number

4431 W. HOUGHTON LAKE DR.

City <u>HOUGHTON LAKE</u>	State <u>MI</u>	Zip Code <u>48629</u>	Telephone Number <u>517.366.9230</u>	E-mail Address <u></u>
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6. Contact Person's Name Kim S. Frazho

Street Address, P.O. Box, or Route Number (if different from Item 5)

City <u></u>	State <u></u>	Zip Code <u></u>
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Fill in all of the following (if available), and check the preferred mode of contact: ☐ Telephone 517.366.9230
☒ FAX 517.366.0063 ☐ E-mail kfrazho@freeway.net ☐ Mail

Block 2: Purpose of Request

7. Purpose of Request: (Check all that apply, if any.)

- a. ☒ Discount on contract(s) signed prior to a request being posted on the Administrator's website.
 Was an FCC Form 470 filed with regard to all the contract(s)? ☒ Yes ☐ No
- b. ☐ Discount on contract(s) signed after a request being posted on the Administrator's website.
- c. ☐ Minor modification or supplement to existing contract(s) for which a Form 471 was already filed.
 471 Application Number

Block 3: Characteristics of Applicant and Applicant's Service Order (derived from FCC Form 470 Blocks 2 & 3)

8a. Number of students N/A 8b. Number of library patrons 12,0009. Number of buildings to be served 1 10. Number of rooms to be served 3Existing
ServiceTotal Services
After Order

11. Telecommunications Services		
a. Number of phones that have or require service (See instructions concerning extension phones and fax machines.)	3	4
b. Number of computers that have or require service	0	18
c. Number of high bandwidth video conferencing links	0	0
12. Internal Connections		
a. Number of buildings with at least some rooms connected	0	1
b. Number of rooms connected	0	3
c. Highest speed of connection	0	-
13. Internet Access		
a. Number of dial up connections	0	0
b. Highest speed of such dial up connections	0	0
c. Number of direct connections	0	-
d. Highest speed of such direct connections	0	128 kbps

Block 4: Determining Discount Percentage

14. Fill in one line per school, library, or library consortium and calculate in the last line, an average discount rate for the billed entity. Attach additional pages if necessary. *Note: If the applicant has already completed this chart for all of the same entities with data that is current, provide the "471 Application Number" (Item 3b), from that previous FCC Form 471 here:*

(1) Name of Individual School or Library	(2) NCES or Comparable Code for School or Library (Obtain from Administrator)	(3) Urban or Rural	(4) <u>For Schools:</u> Number of Students <u>For Libraries:</u> NCES Code of a School in its District	(5) <u>For Schools:</u> Number of Students Eligible for National School Lunch Program	(6) Discount Calculated from Discount Matrix	(7) Check if School or Library will use "Shared Services" listed in Item 15.
HOUGHTON LAKE PUBLIC Library	NONE	Rural	36-18600		74%	<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
FOR SHARED SERVICES ORDERED BY BILLED ENTITY (attach worksheet of calculations)						

Contact Person's Name J. J. 1142ndand Phone Number: 517-366-1230

16. "Site Specific" Services: Internal connections not shared by multiple schools or libraries and dedicated ("private line") connections from only one school or library to an ISP or other end-user.

(1)	(2)	CONTRACT			(6)	(7)	Amount (See instructions about rounding)			(11)	(12)
SLC Number of Service Provider (Obtain from Service Provider)	Universal Service Control Number for Form 470 on which this is based	(3) Contract Number (if applicable)	(4) Award Date	(5) Expira- tion Date	Services or Products	Service Start Date	(8) Estimated One Time Pre-discount Cost	(9) Estimated Monthly Pre-discount Cost	(10) Estimated Total Annual Pre- discount Cost	Percent- age Dis- count (from Item 14)	School or Library Code (Listed on website)
143004331	7365000000 58071	N/A	1/29/98	12/31/98	Dedicated Services	4/24/98	1477 ⁰⁰	9614 ⁰⁰	11,091 ⁰⁰	74%	
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						

Contact Person's Name Kim S. Frazho and Phone Number: 517-366-9230

17. ☒ Check this box to confirm that, for each service provider listed in 15 and 16, above, a list is attached (as an appendix to this form) of all of the services that each service provider is providing to the billed entity. Service providers should provide these lists on request.

18. a. Total dollars of support allocated for this application for the entire funding year (calculated by administrator)	
b. Amount of support set aside for this application for the first six months of the year (calculated by administrator)	
19. Provide the total estimated cost (pre-discount price) for the services you expect to order in the funding year following the one for which you are applying here. (This figure is not binding.)	\$11,000
20. Is your order solely for basic telephone service? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Block 6: Certifications and Signature

21. The applicant is eligible for support because it includes: (Check one or both.)
- a. ☐ schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U.S.C. Secs. 8801(14) and (25), that do not operate as for-profit businesses and do not have endowments exceeding \$50 million; and/or
 - b. ☒ libraries or library consortia eligible for assistance from a state library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any schools', including, but not limited to, elementary and secondary schools, colleges, or universities.
22. The school(s) or library(ies) I represent have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the services purchased as well as to pay the discounted charges for eligible services.
23. All of the individual schools, libraries, and library consortia listed above in items 15 and 16 are covered by:
- a. ☒ an individual; and/or
 - b. ☐ higher-level technology plan(s) for using the services requested in this application (if those services consist of other than voice services).
24. Status of technology plans (check one):
- a. ☒ Technology plan(s) has/have been approved; or
 - b. ☐ Technology plan(s) will be approved by a state or other authorized body; or
 - c. ☐ Technology plan(s) will be submitted to Schools and Libraries Corporation for approval.
25. I certify that the entities eligible for support that I am representing have complied with all applicable state and local laws regarding procurements of services for which support is being sought.
26. I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value.
27. I understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service receive an appropriate share of benefits from those services.
28. I recognize that I may be audited pursuant to this application and will retain for five years any and all worksheets and other records that I rely upon to fill out this application.
29. I certify that I am authorized to submit this request on behalf of the above-named institution, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

30. Signature <u>Donna J. Alward</u>	31. Date <u>4-13-98</u>
32. Printed name of authorized person <u>Donna J. Alward</u>	
33. Title or position of authorized person <u>Director</u>	

Persons willfully making false statements on this form can be punished by fine or forfeiture, under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

Contact Person's Name

Kim S. Frazho

and Phone Number:

517-366-9230

NOTICE TO INDIVIDUALS: Section 54.504 of the Federal Communication Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Services Ordered and Certification Form (FCC Form 471) with the Universal Service Administrator 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the personal information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation of potential violation of a FCC statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government, is a party of a proceeding before the body or has an interest in the proceeding.

If you owe a past due debt to the federal government, the taxpayer identification number (such as your social security number) and other information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide this information to these agencies through the matching of computer records when authorized.

With the exception of your social security number, if you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, December 31, 1974, 5 U.S.C. § 552, and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, *et seq.*

Public reporting burden for this collection of information is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, D.C. 20554..

This form should be submitted to: **Schools and Libraries Corporation**
P.O. Box 4217
Iowa City, Iowa 52244-4217
1-888-203-8100

RECEIVED



HOUGHTON LAKE PUBLIC LIBRARY

JAN 25 P 4: 23

"A Public Library -- Open to All"

4431 W. Houghton Lake Drive
Houghton Lake, MI 48629
(517) 366-9230

January 20, 1999

Contact Person: Kim S. Frazho
4431 West Houghton Lake Drive
Houghton Lake, MI 48629
Phone 517.366.9230
Fax 517.366.0063
Email kfrazho@hlpl.lib.mi.us

APP 52629

Application Number 00052629
Funding Request Number 00049689
Billed Entity Number 131112

We are appealing the decision made by the SLD to *not* fund the Internet connectivity as requested. The following is a line by line clarification of the errors and mis-information used to reach this decision. The information provided is current and will differ from the original F471 because we have data available now that was not available to us at the time the form was filed. Several dates have had to be changed and this has in turn effected the funds requested:

Line 4: Provider Contract Number: "T".
Tariff is incorrect.

Line 5: "Effective Date of Discount: 04/24/1998 Contract Expiration Date: "
A contract was signed between Merit, Inc. and the Houghton Lake Public Library (HLPL) on 1/29/1998, however service did not begin until 04/24/1998 due to the installation of cable and electrical. The expiration date was initially 12/30/1998 but, was extended to June 30, 1999 under the direction of the SLC.

Line 6: "Estimated Total Annual Pre-discount Cost: \$68,775.00"

The estimated annual pre-discount cost is actually \$11,091.00 on the original F471.

Block 5, Line 16, Items 4, 5, 9 and 10 of the 471 needs to be corrected as follows:

Item 4: Should read 1/29/1998 as a pre-existing contract.

Item 5: Should read 6/30/1999

Item 9: Should read \$801.17 (the annual cost was mistakenly entered)

Item 10: Should read \$11,091.00 (this figure does not include the additional six months after extending the contract date to 06/30/1999, nor is it adjusted for the April start date. We were unaware the Funding Year would be changed and did not have a solid start date when the form was filed. It covers 12 months, but we actually received service for only 8 months in 1998 and we will continue to receive service until June 30, 1999. I cannot explain the \$68,775.00 amount, I can only imagine it is a typographical error. At no time did the Houghton Lake Public Library request a discount based on that figure.

Line 9: "Funding Commitment Decision Explanation: \$0.00 - Svcs. Not requested on F 470."

A 479 was filed for a pre-existing contract. A copy of the contract was sent with the 470. The 471 went through problem resolution 05/29/1998.

Line 10: "Funding Commitment Decision Explanation: The type of Services requested was not posted to the SLC website and thus did not meet the 28 day competitive bidding requirement."

It was our understanding that the pre-existing contract did not have to be posted on the website, however the contract was entered into 12/29/1997 and a 28-day waiting period was honored before a go-ahead was issued on 01/29/1998.

It is clear that the chain of events caused some confusion on our part, however we acted in good faith following the instructions and requirements of the moment. Many changes took place and it was difficult, at best, to stay within guidelines that were in constant flux.



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The corrected figures would read as follows:

Block 5, Line 16, Item 1 143004331
Item 2 736800000058071
Item 3 blank
Item 4 01/29/1998
Item 5 06/30/1999
Item 6 Dedicated Services
Item 7 04/24/1998 (the date the service was actually usable)
Item 8 \$1477.00 (costs for router, hub etc.)
Item 9 \$801.17 (per month cost)
Item 10 \$12,693.38 (this figure reflects the 4 months we did not receive service and the 4 months and the 6 month extension of the contract.
Item 11 74%
Item 12 Houghton Lake Public Library

We sincerely hope this clarifies things and remain hopeful that our request will be funded. This first year has been a trying one for all of us, but we remain optimistic that future years will improve. Please contact me by phone to further clarify things if that will help. Thank you for your time and assistance.

Sincerely,

Kim S. Frazho, Houghton Lake Public Library

Contact Person's Name Kim S. Truzho and Phone Number: _____

16. "Site Specific" Services: Internal connections not shared by multiple schools or libraries and dedicated ("private line") connections from only one school or library to an ISP or other end-user.

(1)	(2)	CONTRACT			(6)	(7)	Amount (See instructions about rounding)			(11)	(12)
SLC Number of Service Provider (Obtain from Service Provider)	Universal Service Control Number for Form 470 on which this is based	(3) Contract Number (if applicable)	(4) Award Date	(5) Expira- tion Date	Services or Products	Service Start Date	(8) Estimated One Time Pre-discount Cost	(9) Estimated Monthly Pre-discount Cost	(10) Estimated Total Annual Pre-discount Cost	Percent- age Dis- count (from Item 14)	School or Library Code (Listed on website)
143004331	7368000000 58071	-7	4/29/98	12/31/98	Dedicated Services	4/24/98	1477 ⁰⁰	9614 ⁰⁰	11,091 ⁰⁰	74%	HOUGHTON LAKE PUBLIC LIBRARY
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						
					Dedicated Services						
					Internal Connections						

SLC Funding Notification Synopsis for Application Number: 00052629

Funding Request Number: 00049689 Funding Status: Unfunded or Denied
SPIN: 143004331 Service Provider Name: Marit Network Inc.

Provider Contract Number: T

Services Ordered: Dedicated Services

Effective Date of Discount: 04/24/1998 Contract Expiration Date:

Estimated Total Annual Pre-discount Cost: \$68,775.00

Discount Percentage Approved by SLC: N/A

Funding Commitment Decision: \$0.00 - Svcs. not requested on F. 470

Funding Commitment Decision Explanation: The type of service requested was not
posted to the SLC website and thus did not meet the 28 day competitive bidding
requirement.



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Merit Network, Inc.
4251 Plymouth Road, Suite C
Ann Arbor, MI 48105
Attn: Sara Peth

March 3, 1998

Post-It® Fax Note	7671	Date	3-11-98	# of pages	1
To	DONNA KLINGE	From	Kim S. Frazho		
Co./Dept.	SLC	Co.	HOUGHTON LK. Pub. Lib.		
Phone #		Phone #	517-366-9230		
Fax #	973-581-6859	Fax #	517-366-0063		

Dear Sara,

Please go ahead with the 128Kbps direct Internet connection discussed in the January 29, 1998, proposal.

We look forward to doing business with you. If you have questions or need further information don't hesitate to call.

Sincerely,

Donna J. Alward
Director

